

Lesson Worksheet 7.4B(I)

Objective: To understand the concepts of salaries tax and calculate the salaries tax payable of a person.

Salaries tax is charged on the income from employment in Hong Kong.

薪俸稅是按香港僱員薪酬徵收的稅項。

Net chargeable income = annual income – allowances

應課稅入息實額 = 全年收入 – 免稅額

Salaries tax payable is calculated according to the progressive tax rates:

薪俸稅是根據累進稅率來計算：

	Net chargeable income 應課稅入息實額	Rate 稅率	Tax 稅款	Accumulated tax 累進稅款
On the First 最初的	\$40 000	2%	\$800	\$800
On the Next 其次的	\$40 000	7%	\$2800	\$3600
On the Next 其次的	\$40 000	12%	\$4800	\$8400
Remainder 餘額		17%		

1. The *net chargeable income* of Roy is \$130 000.

Find his salaries *tax* payable.

Net chargeable income

$$= \$ \underline{\quad 130\,000 \quad}$$

$$= \$40\,000 + \$40\,000 + \$40\,000 + \$ \underline{\quad 10\,000 \quad}$$

Salaries tax payable

$$= \$ (800 + 2800 + 4800 + \$ \underline{\quad 10\,000 \quad} \times 17\%)$$

$$= \$ \underline{\quad 10\,100 \quad}$$

2. The *annual income* of Joseph is \$330 000 and he is entitled to a total *allowance of* \$240 000. Find his salaries *tax* payable.

Net chargeable income

$$= \$ (\underline{\quad 330\,000 \quad} - \underline{\quad 240\,000 \quad})$$

$$= \$ \underline{\quad 90\,000 \quad}$$

$$= \$40\,000 + \$40\,000 + \$10\,000$$

net chargeable income(應課稅入息實額)

Salaries tax payable

$$= \$ (800 + 2800 + \$ \underline{\quad 10\,000 \quad} \times 12\%)$$

$$= \$ \underline{\quad 4\,800 \quad}$$

annual income(全年收入)

allowances(免稅額)

Demonstration

The net chargeable income of Mavis is \$100 000. Find her salaries tax payable.

Solution

Net chargeable income

$$= \$100\,000$$

$$= \$40\,000 + \$40\,000 + \$20\,000$$

Salaries tax payable

$$= \$ (800 + 2800 + 20\,000 \times 12\%)$$

$$= \underline{\quad \$6000 \quad}$$

3. The annual income of Alex is \$285 000 and he is entitled to a total allowance of \$180 000. Find his salaries tax payable.

Net chargeable income

$$= \$(\underline{285\ 000} - \underline{180\ 000})$$

$$= \$\underline{105\ 000}$$

$$= \$40\ 000 + \$40\ 000 + \$\underline{25\ 000}$$

Salaries tax payable

$$= \$(800 + 2800 + \$\underline{25\ 000} \times 12\%)$$

$$= \$\underline{6\ 600}$$

4. The monthly income(月薪) of Mr Ho is \$21 500. If he is entitled to a total allowance of \$186 000, find his salaries tax payable.

$$\text{Annual income of Mr Ho} = \$21\ 500 \times \underline{12}$$

$$= \$\underline{258\ 000}$$

$$\text{Net chargeable income} = \$(\underline{258\ 000} - \underline{186\ 000})$$

$$= \$\underline{72\ 000}$$

$$= \$40\ 000 + \$\underline{32\ 000}$$

$$\text{Salaries tax payable of Mr Ho} = \$(800 + \underline{32\ 000} \times 7\%)$$

$$= \$\underline{3\ 040}$$

Find the annual income of Mr Ho first.

5. The monthly income of Jason is \$17 000. If he is entitled to a total allowance of \$150 000, find his salaries tax payable.

$$\text{Annual income of Jason} = \$17\ 000 \times \underline{12}$$

$$= \$\underline{204\ 000}$$

$$\text{Net chargeable income} = \$(\underline{204\ 000} - \underline{150\ 000})$$

$$= \$\underline{54\ 000}$$

$$= \$40\ 000 + \$\underline{14\ 000}$$

$$\text{Salaries tax payable of Jason} = \$(800 + \underline{14\ 000} \times 7\%)$$

$$= \$\underline{1\ 780}$$

net chargeable income(應課稅入息實額)

annual income(全年收入)

allowances(免稅額)